

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98- 306P

**Gross Income Tax
Calendar Year 1995**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, incorporated under the laws of Wisconsin on June 2, 1988 was audited for calendar year 1995. Upon audit it was discovered that the taxpayer failed to include all of its gross income and failed to add back Real Estate and Personal Property Taxes.

Taxpayer requests that the department waive the negligence penalty.

I. **Tax Administration** – Penalty

DISCUSSION

Taxpayer was assessed a negligence penalty because it failed to report gross income subject to gross income tax.

Taxpayer, in a letter dated May 6, 1998 protested penalties assessed due to reasonable cause and states the additional tax resulted from an unintentional misallocation of taxable gross income to Indiana which went unnoticed during the tax preparation and review process for that one tax year.

Taxpayer maintains it has developed and implemented procedures which will ensure the proper allocation of taxable gross income to Indiana and has an excellent history of correctly reporting and remitting the appropriate amount of tax due Indiana.

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Taxpayer has not provided reasonable cause for failure to include all of its taxable Indiana income in its Gross Income Tax calculation.

FINDING

Taxpayer's protest is denied.